

1 competition does not develop, consumers will not receive the benefits that result from
2 competition.

3
4
5 **CONTRACTUAL COMMITMENTS TO PROVIDE QUALITY SERVICE**

6
7 **Q. DID AT&T REQUEST THAT BELL SOUTH MAKE A CONTRACTUAL**
8 **COMMITMENT TO PROVIDE QUALITY SERVICE?**

9 **A.** Yes. AT&T requested that BellSouth provide AT&T services, network elements and
10 interconnections at parity with those that BellSouth provides itself to support its retail
11 operations. AT&T, therefore, requested that BellSouth agree to satisfy specific Direct
12 Measures of Quality ("DMOQs") and to certify process and data quality for carrier
13 billing, data transfer, and account maintenance. DMOQs are objective and quantifiable
14 quality standards for telecommunications services. AT&T also requested that BellSouth
15 provide monthly management reports of its performance record against the DMOQs.
16 AT&T further requested that BellSouth agree to pay liquidated damages if BellSouth's
17 performance was deficient. AT&T has requested that BellSouth accept liability for non-
18 billable or non-collectible revenue that result from BellSouth's actions or inaction, such
19 as work errors, alterations of software, or unauthorized physical attachment to loop
20 facilities. BellSouth, however, has refused to accept such liability.

21
22 **Q. WHAT WAS BELL SOUTH'S RESPONSE TO AT&T'S REQUEST?**

23 **A.** BellSouth did not agree to the proposed DMOQs and did not offer to provide any
24 contractual commitment to provide quality service. BellSouth argues that it is premature

1 to specify DMOQs until adequate experience with providing interconnection, access to
2 unbundled elements, and local exchange services is available.

3
4 **Q. DO YOU AGREE THAT IT IS PREMATURE TO SET DMOQS?**

5 A. No. The FCC Order requires BellSouth to provide interconnection, unbundled network
6 elements, and telecommunications services for resale that are at least equal in quality to
7 what BellSouth provides itself. 47 C.F.R. §§ 51.305(a), 51.311(b) (to be codified); FCC
8 Order No. 96-325, ¶¶ 224, 313, 970, at 114, 157, 479 (see 61 Fed. Reg. 45505, 45513,
9 45570, at ¶ 168, 225, 644). BellSouth has adequate experience with the standards of
10 quality that BellSouth currently provides itself. BellSouth can use that experience to
11 develop DMOQs with AT&T and provide process and data quality certifications to
12 ensure that BellSouth satisfies its obligations under the Act.

13
14 **Q. HOW DO DMOQS HELP SECURE HIGHER QUALITY SERVICES?**

15 A. Initially, new market entrants like AT&T must purchase most of the services, network
16 elements, and interconnection necessary to provide local exchange service from
17 BellSouth because BellSouth is the sole source for all of the foregoing products. New
18 market entrants cannot provide high quality services to consumers unless BellSouth first
19 provides high quality services to new market entrants. DMOQs are effective
20 management tools to ensure that BellSouth is providing high quality services -- they
21 measure service quality and highlight areas that need special management attention. In
22 addition, contractual commitments to back DMOQs provide a financial stimulus to
23 ensure that management attention is forthcoming whenever quality is substandard.
24 BellSouth certainly requires similar contractual commitments from its suppliers.

25

1 **Q. ARE THERE OTHER REASONS WHY DMOQS ARE IMPORTANT TO AT&T?**

2 A. In addition to the reasons stated above, DMOQs are important because they help protect
3 an asset that is very valuable to AT&T -- its reputation with consumers as a quality
4 provider. As a prudent business practice, AT&T and other companies require their
5 suppliers to meet specified and measurable quality requirements and back the
6 commitment with contractual assurances. There is no reason why BellSouth should not
7 be required to agree to contract terms that hold BellSouth financially responsible in the
8 event it causes harm to AT&T's reputation for quality service.

9

10 **Q. WHY IS IT REASONABLE FOR BELL SOUTH TO ACCEPT LIABILITY FOR**
11 **NON-BILLABLE OR NON-COLLECTIBLE REVENUES?**

12 A. Between BellSouth and AT&T, BellSouth is in the best position to prevent billing fraud
13 and work errors because BellSouth is responsible for the personnel provisioning the
14 service and the equipment providing the service. BellSouth, therefore, should be liable
15 for its actions and its inaction that result in non-collectable or non-billable revenue.

16

17 **Q. ARE THERE UNRESOLVED ISSUES THAT RELATE TO OPERATIONS**
18 **SUPPORT SYSTEMS BUT DO NOT INVOLVE ELECTRONIC INTERFACES**
19 **DIRECTLY?**

20 A. Yes. In the area of operations support systems, BellSouth has not agreed to utilize the
21 Centralized Message Distribution Systems ("CMDS") process for the billing of local and
22 intraLATA calls.

23

1 Q. WHAT DID AT&T REQUEST FROM BELL SOUTH WITH RESPECT TO THE
2 BILLING OF LOCAL AND INTRALATA COLLECT, THIRD PARTY, AND
3 CALLING CARD CALLS?

4 A. AT&T has requested that BellSouth utilize the Centralized Message Distribution System
5 ("CMDS") process for the billing of local and intraLATA collect, third party, and calling
6 card calls. Today, the telecommunications industry uses the CMDS process to determine
7 the applicable rate and appropriate compensation for collect, third party, and calling card
8 interLATA calls. Under the CMDS process, the "originating" local service provider's
9 rates apply to such calls. If there were not a uniform system, the "originating" carrier
10 and the "terminating" carrier for a collect, third party, or calling card call may disagree
11 about which carriers' rates apply and the compensation that is due each carrier. The
12 CMDS process prevents these kinds of disputes and simplifies the billing procedure for
13 interLATA calls. If CMDS were applied to intraLATA calls, it would simplify that
14 billing procedure as well.

15

16 DIRECT ROUTING

17

18 Q. WHAT IS DIRECT ROUTING?

19 A. Direct routing provides the capability for all consumers to dial the same telephone
20 number but to have their calls routed to the service platform of their chosen local service
21 provider. When a consumer dials the number for directory assistance (411), direct
22 routing would send that call immediately to the service platform of that consumer's
23 chosen local service provider. For example, a BellSouth customer dialing 411 for
24 directory assistance would reach a BellSouth service platform while an AT&T customer
25 dialing the same 411 would reach an AT&T service platform.

1

2 Q. WHAT DID AT&T REQUEST FROM BELL SOUTH IN TERMS OF DIRECT
3 ROUTING?

4 A. AT&T requested that BellSouth provide the capability to route calls directly from AT&T
5 customers to AT&T service platforms for Operator Services and Directory Assistance
6 Services (collectively referred to as "OS/DA services"). In other words, AT&T
7 requested that calls from its customers go directly to AT&T's service platforms
8 whenever AT&T customers dial the traditional and familiar numbers for Operator
9 Services (0+, 0-) and Directory Assistance (411, 555-1212).

10

11 Q. WHAT WAS BELL SOUTH'S RESPONSE TO AT&T'S REQUEST FOR DIRECT
12 ROUTING?

13 A. BellSouth contends that direct routing is not technically feasible.

14

15 Q. DOES THE FCC ORDER ADDRESS DIRECT ROUTING OF OPERATOR AND
16 DIRECTORY ASSISTANCE SERVICE CALLS TO THE PLATFORM OF THE
17 INCUMBENT LEC'S COMPETITOR?

18 A. Yes. AT&T's request is completely consistent with the FCC regulations, which provide
19 that incumbent LECs must provide customized (i. e., direct) routing to operator service
20 and directory assistance platforms to requesting telecommunications carriers where
21 technically feasible. FCC Order No. 96-325, ¶ 418, at 206 (see 61 Fed. Reg. 45531-32,
22 at ¶ 364). The basis for the FCC's conclusion was the need for new entrants to be able to
23 distinguish their services from those of the incumbent LECs. Id. This will promote the
24 development of competition and ultimately benefit South Carolina consumers by

1 providing them with more choice. Id. The testimony of AT&T Witness Hamman
2 demonstrates that direct routing is technically feasible.

3
4 **Q. HAVE OTHER STATE COMMISSIONS ADDRESSED THE DIRECT ROUTING**
5 **ISSUE?**

6 **A.** Yes. The State Commissions in Georgia, Illinois, Ohio, and New York also have
7 adopted policies that require incumbent LEC's to provide direct routing:

8
9 **Georgia --** The Georgia Public Service Commission found that the ability of a
10 competing carrier to utilize their own operators or custom-branded operator services will
11 enhance the ability of that entity to effectively compete. Georgia Public Service
12 Commission, Docket No. 6352-U, at 13 (June 12, 1996).

13
14 **Illinois --** The Staff of the Illinois Commerce Commission concluded that "the
15 potential exists for the wholesale LEC to use its monopoly power in the provisioning of
16 incumbent local exchange service anticompetitively." Illinois Commerce Commission,
17 Docket Nos. 95-0458, 95-0531, at 51-52 (June 26, 1996). The staff recognized that the
18 incumbent local exchange carrier could "advertise its own services by branding directory
19 assistance, operator services, etc., on calls provided to end users by the resellers." Id.
20 Accordingly, the Illinois Commerce Commission found that the unbundling of Operator
21 Services and Directory Assistance is a necessary requirement for effective competition
22 and rejected the incumbent LEC's claim that direct routing was not technically feasible.
23 Id. at 45. Illinois also required that the incumbent LEC brand Operator Services and
24 Director Assistance for resellers where technically feasible. Id.

Ohio -- The Ohio Public Utilities Commission similarly ordered incumbent LECs to unbundle Operator Services, Directory Assistance and other services. Ohio Public Utilities Commission, Docket No. 95-845-TP-COL, Appendix A, at 49 (June 12, 1996). Ohio also provided for the branding of purchased services. *Id.* at 52.

New York -- The New York Public Service Commission directed New York Telephone to file tariffs providing for both unbundled and branded Operator Services and Directory Assistance. New York Public Service Commission, Case No. 95-C-0657, Order No. 5 (June 25, 1996).

BRANDING

O. WHAT IS BRANDING?

A. Branding is the marking of a service or materials with a company logo or other marketing device.

Q. WHAT DID AT&T REQUEST FROM BELLSOUTH WITH RESPECT TO
BRANDING?

A. AT&T requested that when BellSouth provides services to AT&T customers on behalf of AT&T, BellSouth must utilize the AT&T brand instead of BellSouth's brand. After all, AT&T is paying BellSouth to provide these services. Specifically, AT&T requested that BellSouth: (1) brand OS/DA services with the AT&T brand where AT&T chooses not to require direct routing; (2) advise AT&T customers that they are representing AT&T; (3)

1 furnish any customer information materials provided by AT&T; and (4) refrain from
2 marketing BellSouth directly or indirectly to AT&T customers. AT&T also requested
3 that BellSouth's affiliate (BellSouth Advertising & Publishing Corporation or
4 "BAPCO") include the AT&T logo on its telephone directories.

5
6 **Q. HAVE THE PARTIES REACHED AGREEMENT ON ANY OF THE BRANDING**
7 **ISSUES?**

8 A. Yes. BellSouth has agreed to: (1) advise AT&T customers that they are representing
9 AT&T; (2) furnish any customer information materials provided by AT&T; and (3)
10 refrain from marketing BellSouth directly or indirectly to AT&T customers.

11
12 **Q. WHAT ISSUES REGARDING BRANDING REMAIN UNRESOLVED?**

13 A. The remaining unresolved issue regards the branding of OS/DA services through
14 selective routing. BellSouth argues that the Act does not require BellSouth to brand
15 OS/DA services and that branding OS/DA services is not technically feasible for the
16 same reasons that direct routing is not technically feasible.

17
18 With respect to including AT&T's logo on the cover of telephone directories, BellSouth
19 agreed to include AT&T's logo only if AT&T agreed to excessive rates, and restrictive
20 and anticompetitive terms and conditions.

21
22 **Q. DID THE FCC ADDRESS THE ISSUE OF BRANDING IN ITS ORDER?**

23 A. Yes. The FCC concluded that operator, call completion and directory assistance services
24 offered by BellSouth should be branded when provided to AT&T as part of a service or
25 service package offering. 47 C.F.R. § 51.613(c) (to be codified); FCC Order No. 96-325,

¶ 971, at 479 (see 61 Fed. Reg. 45570, at ¶ 645). While the FCC was silent with respect to customer services, other than operator services provided by BellSouth on behalf of AT&T, it is AT&T's position that the FCC's conclusion about the necessity of having operator services branded in order to enable a new entrant to distinguish itself from the Incumbent LEC and to eliminate customer confusion, coupled with the FCC's rules regarding the need for parity across the board, requires that branding be extended to all customer services provided by BellSouth on behalf of AT&T.

ACCESS TO INFORMATION

Q. WHAT DID AT&T REQUEST WITH RESPECT TO ACCESS TO INFORMATION?

A. AT&T requested that BellSouth advise AT&T of any changes in BellSouth's service offerings by providing advance notice of at least forty-five days prior to the effective date of the change, or concurrent with BellSouth's internal notification process, whichever is earlier. The parties have reached agreement regarding AT&T's request for copies of existing and future interconnection agreements between BellSouth and any third party.

Q. HOW DOES THIS KIND OF ACCESS TO INFORMATION RELATE TO PARITY AND WHY IS IT IMPORTANT FOR BELL SOUTH TO PROVIDE SUCH ACCESS TO AT&T?

A. Receiving advance notice of changes in service offerings provides for parity. 47 U.S.C. § 252(h)-(i). The Act requires BellSouth to make its service offerings available to new entrants for resale. Without reasonable advance notice of changes in particular services

offerings, new entrants like AT&T cannot make the necessary preparations to resell changed services offerings by the effective date of BellSouth's changed services offerings. As a result, BellSouth provides itself with an unfair competitive advantage because BellSouth will always be the first LEC to make the changed services offerings available to consumers.

III. UNBUNDLED NETWORK ELEMENTS

Q. WITH REGARD TO THE THIRD CATEGORY OF UNRESOLVED ISSUES, WHAT ARE THE NETWORK ELEMENTS TO WHICH AT&T REQUESTS ACCESS?

A. AT&T initially requested access to twelve network elements: Network Interface Device, Loop Distribution, Loop Concentrator/Multiplexer, Loop Feeder, Local Switching, Operator Systems, Dedicated Transport, Common Transport, Tandem Switching, Signaling Link Transport, Signal Transfer Points, and Service Control Points/Databases. Each of these elements is discussed fully in the testimony of AT&T Witness Hamman.

Q. WHAT WAS BELL SOUTH'S RESPONSE TO AT&T'S REQUEST?

A. BellSouth has agreed to provide unbundled access to Common Transport, Tandem Switching, Signaling Link Transport and Service Control Points/Databases. The parties have agreed on a "Bona Fide Request Process" for handling requests for unbundling the Loop Distribution, Loop Concentrator/Multiplexer, and Loop Feeder elements. As a result AT&T has postponed its request for these three subloop elements. The remaining elements remain at issue in this arbitration.

1

2 **Q. WHY IS IT IMPORTANT TO HAVE ACCESS TO THOSE REQUESTED**
3 **UNBUNDLED NETWORK ELEMENTS?**

4 A. From a business perspective, AT&T seeks access to the maximum number of network
5 elements. AT&T will use the network elements in a variety of ways to bring consumers
6 choices in local exchange services to South Carolina. As explained in AT&T Witness
7 Hamman's testimony, AT&T needs these elements for maximum flexibility in designing
8 competitive offers. For example, we may combine several of the elements to offer new
9 services not currently offered by BellSouth, or we may integrate some of the BellSouth
10 elements with elements AT&T owns or will purchase from others to offer a service at
11 less cost than BellSouth. Section 251(c)(3) of the Act and the FCC Order and
12 regulations specifically allow AT&T to combine some or all of the unbundled network
13 elements to offer a telecommunications service.

14

15 **Q. WHAT DID AT&T REQUEST FROM BELLSOUTH WITH RESPECT TO**
16 **ACCESS TO RIGHTS-OF-WAY, CONDUITS AND POLE ATTACHMENTS?**

17 A. Access to rights-of-way, conduits and pole attachments also is addressed in the testimony
18 of AT&T Witness Hamman. Generally, I understand that Section 224(f)(1) of Title 47
19 of the United States Code requires BellSouth to afford access to its poles, ducts, conduits
20 and rights-of-way on a nondiscriminatory basis. For this reason, AT&T requested that
21 BellSouth provide AT&T with access to rights-of-way, conduits, poles and other
22 pathways at terms and conditions equivalent to that provided by BellSouth to itself or to
23 any other party. AT&T also requested that BellSouth not preclude or delay allocation of
24 these facilities to AT&T because of potential future needs. In addition, AT&T requested

1 that BellSouth provide AT&T with copies of its current engineering records relating to
2 rights-of-way, conduits, poles and other pathways.

3

4 **Q. WHAT WAS BELL SOUTH'S RESPONSE TO AT&T'S REQUEST?**

5 **A.**BellSouth's response was that it would provide AT&T with any residual capacity on its
6 poles, ducts, conduits and rights-of-way after BellSouth reserved for itself five years
7 worth of capacity to meet BellSouth's anticipated needs. BellSouth also refused to
8 provide AT&T with copies of its pole and conduit engineering records.

9

10 **Q. WHY IS IT IMPORTANT THAT AT&T HAVE EQUAL AND**
11 **NONDISCRIMINATORY ACCESS TO RIGHTS-OF-WAY, CONDUITS AND**
12 **POLE ATTACHMENTS?**

13 **A.**Rights-of-way, conduits and pole attachments constitute a substantial portion of the
14 capital necessary to establish a local exchange network. Without equal and
15 nondiscriminatory access to these existing facilities, a new entrant faces a daunting
16 financial barrier to market entry. Moreover, substantial time would be necessary to
17 replicate these facilities. For these reasons, a new entrant may simply decide to forego
18 market entry. To achieve competition that will produce choices for consumers, AT&T
19 believes the Commission should order equal access to the facilities.

20

21 **IV. PRICING**

22

23 **Q. REGARDING THE FOURTH CATEGORY OF UNRESOLVED ISSUES --**
24 **PRICING -- WHAT WHOLESALE PRICES DID AT&T PROPOSE FOR LOCAL**
25 **EXCHANGE SERVICES IN SOUTH CAROLINA?**

1 A. The subject of wholesale prices for services in South Carolina is addressed fully in the
2 testimony of AT&T Witness Lerma. AT&T estimated that the appropriate discount for
3 South Carolina is 26.16 percent.

4
5 **Q. WHAT WAS BELLSOUTH'S RESPONSE TO AT&T'S PROPOSED PRICES?**

6 A. BellSouth would not accept AT&T's proposed wholesale prices. BellSouth proposed
7 two different percentage reductions, one for residential and one for business customers,
8 for each state in the nine-state Southeast region. The percentage reductions would apply
9 only to recurring retail charges rather than both recurring and non-recurring charges.

10

11 **Q. WHY IS IT IMPORTANT THAT THE COMMISSION SET WHOLESALE**
12 **PRICES THAT DO NOT EXCEED RETAIL PRICES LESS COSTS THAT**
13 **BELLSOUTH SHOULD AVOID?**

14 A. This subject is discussed fully in the testimonies of AT&T Witnesses Gillan, Kaserman
15 and Lerma. Generally, such prices are necessary to foster healthy and robust
16 competition.

17

18 **Q. WHAT DID AT&T PROPOSE FOR PRICES OF UNBUNDLED NETWORK**
19 **ELEMENTS?**

20 A. This subject is fully addressed in the testimony of AT&T Witness Ellison. Generally,
21 AT&T proposed pricing BellSouth's unbundled network elements at TELRIC.

22

23 **Q. WHAT WAS BELLSOUTH'S RESPONSE TO AT&T'S PROPOSAL?**

24 A. BellSouth rejected AT&T's proposal. Instead, BellSouth maintained that compensation
25 should be based on the interexchange access charges that BellSouth as set in its tariffs.

1

2 **Q. WHAT DID AT&T PROPOSE AS RECIPROCAL COMPENSATION FOR**
3 **INTERCONNECTION OF LOCAL TRAFFIC?**

4 A. The subject of interconnection compensation is fully discussed in the testimonies of
5 AT&T Witnesses Gillan, Kaserman and Ellison, and includes a discussion of appropriate
6 pricing as defined by the Act. AT&T proposed that prices be set at TELRIC. Until
7 BellSouth provides appropriate TELRIC studies, AT&T proposed a reciprocal "bill and
8 keep" compensation arrangement for at least the first year of AT&T's Interconnection
9 Agreement.

10

11 **Q. WHAT WAS BELLSOUTH'S RESPONSE TO AT&T'S PROPOSAL?**

12 A. BellSouth did not accept AT&T's proposal. Instead, BellSouth maintained that
13 compensation should be based on the interexchange access charges that BellSouth has
14 set in its tariffs.

15

16 **Q. HAS THE FCC ORDER AFFECTED AT&T'S PROPOSAL FOR UNBUNDLED**
17 **NETWORK ELEMENTS AND LOCAL INTERCONNECTION?**

18 A. Basically no, although there are some differences that are discussed in the testimony of
19 AT&T Witnesses Gillan, Kaserman and Ellison.

20

21 **Q. HAS THE EIGHTH CIRCUIT'S TEMPORARY STAY ORDER AFFECTED**
22 **AT&T'S PRICING PROPOSALS FOR UNBUNDLED NETWORK ELEMENTS**
23 **AND LOCAL INTERCONNECTION?**

24 A. No. As previously mentioned, the Eighth Circuit's temporary stay order did not address
25 the merits of the pricing proposals recommended by the FCC in its Order. AT&T

1 believes that the FCC's interpretation of the Act with regard to pricing remains sound
2 and should be adopted by this Commission.

3
4 **V. CONTRACT TERMS AND CONDITIONS**

5
6 **Q. REGARDING THE FIFTH CATEGORY OF UNRESOLVED ISSUES --**
7 **CONTRACT TERMS AND CONDITIONS -- WHAT REMAINS UNRESOLVED?**

8 A. BellSouth and AT&T have exchanged proposed interconnection agreements and
9 continue to negotiate contract language. The parties have continued to negotiate the
10 arbitration issues and have produced revised interconnection agreements reflecting the
11 status of the issues, with the most recent interconnection agreement submitted by AT&T
12 on December 16, 1996. Some of the major areas of disagreement involve alternative
13 dispute resolution, performance requirements and liability and indemnity.

14
15 **Q. WOULD YOU SUMMARIZE YOUR TESTIMONY?**

16 A. AT&T was interested in the South Carolina local exchange services even prior to
17 passage of the Act. From an early time we have envisioned providing South Carolina
18 consumers with a choice of local service providers. While BellSouth has remained a
19 monopoly, South Carolina consumers have been denied the benefits of technological
20 innovations and competitive pressure on prices. AT&T promptly moved out following
21 the passage of the Act to engage BellSouth in negotiations. Those negotiations have
22 achieved a number of agreements, but have failed on significant key issues, including
23 restrictions on resale, operational parity, branding, unbundled network elements and
24 pricing. The sound policy reasons behind the FCC Order and regulations provide clear
25 requirements for BellSouth as an incumbent local exchange carrier to provide access to

1 AT&T to its facilities and services in a fair and nondiscriminatory manner. AT&T's
2 requests of BellSouth are intended to accomplish that access to ensure that real, true
3 competition arrives in South Carolina -- and not just the appearance of competition. For
4 AT&T to have a real opportunity to provide South Carolina consumers with quality local
5 services, it must have the ability to compete against BellSouth on equal terms and be able
6 to offer customers at least the same quality services as BellSouth.

7

8 Q. **DOES THIS COMPLETE YOUR TESTIMONY?**

9 A. Yes.

SUMMARY BY MR. CARROLL:

GOOD AFTERNOON. I'M JIM CARROLL AND I'M GOING TO SUMMARIZE SOME ISSUES IN MY TESTIMONY RELATED TO THE CONCEPT OF PARITY. THESE ISSUES ARE CRITICAL TO THE DELIVERY OF THE THREE FUNDAMENTAL CONSTRUCTS OF THE ACT--BEING RESALE, UNBUNDLED NETWORK ELEMENTS, AND INTERCONNECTION, AND THE DELIVERY OF THESE IN A WAY THAT IS EQUAL TO THE SAME LEVEL OF SERVICE THAT BELLSOUTH PROVIDES ITSELF AND/OR ITS END USERS. NOW THE WORD "PARITY" IS NOT DEFINED BY THE TELECOMMUNICATIONS ACT, BUT ITS ESSENCE IS INTERWOVEN THROUGHOUT THE TEXT OF THE LAW WHERE YOU SEE SPECIFIC REQUIREMENTS FOR LOCAL EXCHANGE CARRIERS TO PROVIDE SERVICE AT LEAST EQUAL IN QUALITY TO THAT IT PROVIDES ITSELF AND FOR THE CONSISTENT USE OF TERMS "JUST, REASONABLE AND NONDISCRIMINATORY" THAT YOU SEE THROUGHOUT THE ACT'S PROVISIONS.

NOW, ONE OF THESE IS THE DELIVERY OF ELECTRONIC INTERFACES AND, AS NOTED EARLIER, WE HAVE CONTINUED TO NEGOTIATE AND EARLY IN THE A.M. TODAY WE WERE ABLE TO SETTLE THE ISSUE OF ELECTRONIC INTERFACES, NUMBER FIVE, WITH THE EXCEPTION OF HOW THE COSTS ARE HANDLED ON THAT INTERFACE. RELATIVE TO COSTS, WE'RE ASKING THAT TO THE EXTENT THAT ELECTRONIC INTERFACES THAT AT&T AND BELLSOUTH IMPLEMENT CONFORM TO INDUSTRY

1 STANDARDS, WE DO NOT BELIEVE THAT WE SHOULD BEAR THE
2 ENTIRE COSTS ASSOCIATED WITH THE ESTABLISHMENT AND
3 IMPLEMENTATION OF THESE ELECTRONIC INTERFACES. IN SHORT,
4 WE WOULD RECOMMEND THAT THESE TERMS BE ESTABLISHED IN A
5 WAY THAT IS COMPETITIVELY NEUTRAL AND WOULD RECOMMEND
6 THAT EACH PARTY BEAR ITS OWN COSTS FOR THE ESTABLISHMENT
7 OF THESE INTERFACES.

8 ISSUE NO. 7 HAS TO DO WITH
9 OPERATOR SERVICES AND D.A. AND ROUTING OF THIS TO THE
10 AT&T PLATFORM. WHAT IS THIS? VERY SIMPLY, IF YOU ARE
11 SUBSCRIBED TO AT&T, EITHER UNDER RESALE OR USING THE
12 UNBUNDLED NETWORK ELEMENT COMBINATIONS, THAT WHEN YOU
13 DIAL ZERO YOU WOULD HEAR AN AT&T OPERATOR ANSWER. THAT'S
14 WHAT THIS ISSUE IS ALL ABOUT. IT IS TECHNICALLY FEASIBLE
15 AND THIS WAS COVERED IN THE TESTIMONY OF JOHN HAMMAN.
16 THE ACT PRECLUDES DISCRIMINATORY CONDITIONS ON RESALE IN
17 251(C)(4)(B). THE F.C.C. ORDER IN FACT PROVIDES FOR THE
18 ROUTING IN BOTH THE RESALE AND UNBUNDLED NETWORK
19 ELEMENTS. AND FINALLY, AND PROBABLY THE BEST REASON, IT
20 IS GOOD PUBLIC POLICY IN THAT IT WILL REDUCE CUSTOMER
21 CONFUSION. IF YOU'RE A CUSTOMER OF AT&T, YOU WOULD
22 EXPECT THAT WHEN YOU DIAL ZERO THAT YOU WOULD GET THE
23 AT&T OPERATOR.

24 NOW ANOTHER BRANDING ISSUE HAS TO

1 DO WITH OUR REQUEST TO HAVE EQUAL ACCESS TO APPEAR ON THE
2 DIRECTORY COVER UNDER THE SAME TERMS AND CONDITIONS AS
3 BELLSOUTH. WE BELIEVE THAT THIS WILL INFORM CUSTOMERS
4 THAT OUR NUMBER IS IN THE DIRECTORY AND WOULD FURTHER
5 REDUCE CUSTOMER CONFUSION. I BROUGHT ALONG A COPY OF THE
6 DIRECTORY COVER HERE IN COLUMBIA THAT EXPIRES ON 2/97 AND
7 IT IS VERY CLEAR THAT BELLSOUTH IS VERY PROMINENT. DOWN
8 HERE IN PRINT SO SMALL THAT I CAN BARELY SEE IT HERE IS A
9 LITTLE NOTATION OF BAPCO. THIS IS THE ONLY PLACE THAT
10 YOU SEE THAT ON THE DIRECTORY. BAPCO WOULD NOT DISCUSS
11 WITH US THE TERMS AND CONDITIONS TO APPEAR ON THE COVER
12 EQUAL TO BELLSOUTH. THEY WOULD TALK TO US ABOUT PUTTING
13 OUR LOGO ON THE COVER DOWN HERE IF WE WOULD AGREE TO BUY
14 ADDED CALL GUIDE PAGES AND TRUTH OF ADVERTISING AND GIVE
15 EXCLUSIVITY RELATIVE TO THE USE OF THE LOGO ON THE COVER.
16 SO THAT'S A CRITICAL ISSUE IN THE BRANDING AREA.

17 I ALSO TALK IN MY TESTIMONY, IN
18 TERMS OF PARITY, ABOUT THE DIRECT MEASURES OF QUALITY.
19 IT IS DEFINED AS ISSUE NO. 3. THESE ARE NOTHING MORE
20 THAN SPECIFIC PERFORMANCE STANDARDS. WE BELIEVE THAT
21 THESE ARE CRITICAL TO ENSURE THAT THE ELECTRONIC INTER-
22 FACES THAT WE HAVE JUST CONCLUDED NEGOTIATIONS ON ARE
23 ABLE TO BE DELIVERED IN A WAY THAT PROVIDES PARITY IN
24 TERMS OF WHAT BELLSOUTH PROVIDES ITSELF OR TO THE END

1 USER. THERE SIMPLY IS NO OTHER COMPANY FROM WHOM THE NEW
2 ENTRANT IS ABLE TO OBTAIN SERVICE. IF THIS WERE A
3 COMPETITIVE MARKETPLACE, WE WOULD SIMPLY MOVE OUR
4 BUSINESS ELSEWHERE; BUT WE, AS NEW ENTRANTS, DO NOT HAVE
5 THAT LUXURY. THIS MAKES THE QUALITY MEASURES JUST THAT
6 MUCH MORE IMPORTANT. PERFORMANCE STANDARDS ARE PART OF
7 THE INTERSTATE AND INTRASTATE ACCESS TARIFFS FILED BY
8 BELLSOUTH, BY THE WAY. WE'RE REQUESTING THAT YOUR ORDER
9 SPECIFY AS A POLICY MATTER THAT THE INTERCONNECTION
10 AGREEMENT BETWEEN THE COMPANIES SHOULD INCLUDE QUALITY
11 MEASUREMENTS TO PROTECT AGAINST SUBSTANDARD SERVICE AND
12 FUTURE COMPLAINT TO THIS COMMISSION. WE'RE ASKING THAT
13 THESE MEASURES BE OUTLINED IN FIVE KEY AREAS:
14 PROVISIONING, MAINTENANCE, BILLING, LINE INFORMATION
15 DATABASE, AND ACCOUNT MAINTENANCE. IN REGARD TO THIS
16 AREA, WE'RE NOT ASKING FOR PERFORMANCE PENALTIES IN THESE
17 AREAS. WE'RE NOT ASKING FOR SPECIFIC NUMBERS OF
18 PERFORMANCE IN THESE AREAS THAT ARE HIGHER THAN WHAT
19 BELLSOUTH PROVIDES TO ITSELF. WE'RE WILLING TO ACCEPT
20 THE LEVEL OF PERFORMANCE THAT BELLSOUTH PROVIDES TO
21 ITSELF. FOR EXAMPLE, IN THE AREA OF PROVISIONING WE'RE
22 SIMPLY ASKING THAT BOTH THE COMMITTED DUE DATE AND THE
23 DESIRED DUE DATE BE MEASURED. THIS IS AN AREA THAT
24 BELLSOUTH WOULD NOT AGREE TO. SO THIS IS AN AREA THAT WE

1 THINK IS CRITICAL. WE WOULD SUGGEST A REFERENCE, THE
2 ATTACHMENT 12 OF THE INTERCONNECTION AGREEMENT AS ORDERED
3 BY THE TENNESSEE REGULATORY AUTHORITY, AS A MODEL TO
4 CONSIDER IN TERMS OF THIS KEY AREA.

5 IN ISSUE NO. 28, WE'RE REQUESTING
6 THAT THE COMMISSION REQUIRE THAT THE ORIGINATING LOCAL
7 SERVICE PROVIDER'S RATES APPLY TO OUTCOLLECT CALLS.
8 BELLSOUTH HAS AGREED TO APPLY THE ORIGINATING CARRIER'S
9 RATES TO THESE CALLS WHEN THE ORIGINATING CARRIER
10 PURCHASES UNBUNDLED NETWORK ELEMENTS, BUT WILL NOT DO SO
11 IN A RESALE ENVIRONMENT UNLESS ORDERED BY THE COMMISSION.
12 WE FEEL THAT THE ORIGINATING LOCAL SERVICE PROVIDER'S
13 RATES SHOULD APPLY IN THIS PARTICULAR AREA.

14 NOW THESE PARITY ISSUES ARE
15 ESSENTIAL TO ENSURE THAT EXCELLENT SERVICE AND
16 CONVENIENCE IS PROVIDED IN THE DELIVERY OF THESE
17 FUNDAMENTAL CONSTRUCTS OF RESALE AND UNBUNDLED NETWORK
18 ELEMENTS AND INTERCONNECTION, AND THAT THESE BENEFITS
19 PROVIDE FOR THE CONVENIENCE OF THE CONSUMERS THROUGHOUT
20 THE STATE OF SOUTH CAROLINA.

21 THIS CONCLUDES MY SUMMARY.

22 TESTIMONY OF DEBORAH J. WINEGARD

23 (PREFILED TESTIMONY OF MS.

24 WINEGARD IS AS FOLLOWS:)

1 **WHEREUPON, the AT&T Panel of Witnesses, [Joseph**
2 **P. Gillan, David L. Kaserman, Richard Guepe, Art Lerma, John**
3 **M. Hamman, Wayne Ellison, Don J. Wood, William J. Carroll,**
4 **and Deborah J. Winegard]; and the BellSouth Panel of Witnesses,**
5 **[Alphonso J. Varner, Robert C. Scheye, Steve G. Parsons,**
6 **Walter S. Reid, W. Keith Milner, and D. Daonne Caldwell],**
7 **having been previously duly sworn, resume testifying as follows:**

8 **EXAMINATION OF PANEL:**

9 Q **[Mrs. Taylor]** I believe we may begin with the questions
10 regarding Issue #9, that is, BellSouth Advertising &
11 Publication Company, and AT&T's request that it has listed
12 in its Petition. I'll direct the first question to the AT&T
13 panel, please.

14 Do you believe that BAPCO is subject to arbitration
15 pursuant to the Telecommunications Act, and please explain
16 your answer.

17 A **[Ms. Winegard]** My name is Deborah Winegard, and I will
18 respond to that question.

19 Yes, BAPCO should be subject to the provisions of the
20 Telecommunications Act. BellSouth Corporation cannot avoid
21 its obligations under the Telecommunications Act merely by
22 its corporate organization. You heard on yesterday, Mr.
23 Varner testify that there were no shared assets and no
24 shared employees between BellSouth Advertising & Publishing
25 Corporation and BellSouth Telecommunications. We do not
 believe that is accurate. If you call the number that is

1 listed in your telephone directory, that telephone number
2 is answered by one person who can respond to either your
3 request for delivery of directories or to questions about
4 your local telephone service, or getting repair, or any
5 such matter.

6 In addition, AT&T recently received a letter from
7 BellSouth Telecommunications--not BAPCO--rather, BellSouth
8 Telecommunications set us a letter that stated that they
9 would no longer publish in the directory information on the
10 10XXX interexchange carrier access code. We believe that
11 the Act clearly requires publication, and we do not believe
12 that BellSouth can avoid its obligations under the Act
13 merely by stating that they have organized themselves
14 differently.

15 Thank you.

16 A [Mr. Carroll] I'd like to add to that to say, this is also
17 just a basic fairness and equity issue. Again, BAPCO would
18 not even talk to us about the conditions of being able to
19 appear on the cover in a way that was equal to BellSouth.
20 The only thing they would talk to us about is the potential
21 of putting a logo in if we would commit to do that on an
22 exclusive fashion and, as well, dedicate additional
23 advertising dollars to be able to do that. So we also
24 believe it's just a basic fairness and equity issue
25 relative to the parity provisions of the Act.

1 Q *[Mrs. Taylor]* Would you hold that cover back up? Did BAPCO
2 offer to put logo on the cover that's equal to the size of
3 the BellSouth logo, or did discussions not go that far?

4 A *[Mr. Carroll]* No, they did not.

5 Q *[Mrs. Taylor]* A more pointed question to the AT&T panel: do
6 you believe that the Telecommunications Act defines BAPCO
7 as a telecommunications carrier, a local exchange carrier,
8 or an incumbent local exchange carrier, or that it provides
9 telecommunications services specifically?

10 A *[Ms. Winegard]* Deborah Winegard again. I believe that that
11 is addressed to me.

12 If you're looking at BAPCO alone, I do not believe
13 BAPCO alone meets this definition. However, we do have to
14 keep in mind the general theme for the Telecommunications
15 Act. The general theme for the Telecommunications Act
16 include non-discrimination, and BellSouth cannot avoid its
17 obligations merely by the way that it chooses to organize.
18 And, as Mr. Carroll has pointed out, with that particular
19 cover, the directory, which is the most predominant
20 directory, has big, bold letters all over it with BellSouth
21 logo, and competing carriers must be given the opportunity
22 to have their logos as prominently displayed on this
23 telephone directory so that customers aren't confused, so
24 that customers know that their listings are in the
25 directory regardless of whether they are receiving local

1 service from AT&T, BellSouth, or any other carrier; and, so
2 that the non-discriminatory provisions of the Act are,
3 indeed, complied with.

4 Q [Mrs. Taylor] I'll direct these questions now to the
5 BellSouth panel, and I'll repeat them. Do you believe that
6 BAPCO is subject to arbitration pursuant to the
7 Telecommunications Act, and you may want to wrap into your
8 discussion whether you believe BAPCO falls under the
9 definition of a carrier, a local exchange, or incumbent
10 local exchange company, or that it provides
11 telecommunications services.

12 A [Mr. Scheye] Good morning. I'm Bob Scheye. Let me first
13 specify that I am not an employee or representative of
14 BAPCO. I'm with BellSouth Telecommunications, but will
15 attempt to speak on their behalf at least.

16 First and foremost, BAPCO is not a telecommunications
17 carrier. The telecommunications carrier that BellSouth
18 Telecommunications Corporation has is BST, BellSouth
19 Telecommunications. As we've talked about, BAPCO is a
20 publisher of directories. We do not believe they provide
21 local exchange service, nor do they provide any tele-
22 communications services whatsoever.

23 In terms of the issues before us today, basically the
24 logo issue, or what goes on the cover of a directory, there
25 are several points I'd just like to make. First and fore-